



**Before the  
Federal Communications Commission  
Washington DC 20554**

In the Matter of )  
Inquiry Concerning the Deployment of )  
Advanced Telecommunications Capability to All Americans ) GN Docket  
No. 07-45  
in a Reasonable Timely Fashion, and Possible Steps to )  
Accelerate Such Deployment Pursuant to Section 706 of the )  
Telecommunications Act of 1996 )

**THE FCC'S NATIONAL BROADBAND STRATEGY FAILURE.**

Summary of 3 Submissions:

**1) SPEED OF BROADBAND.**

**THE FCC's 200KBPS DEFINITION OF BROADBAND FAILS STATUTORY  
REQUIREMENTS OF SECTION 706 OF THE TELECOM ACT OF 1996 –  
HIGH QUALITY VIDEO IN BOTH DIRECTIONS.**

**2) TIMELY & REASONABLE QUESTIONED.**

**A) AMERICA IS 15<sup>th</sup> IN THE WORLD IN BROADBAND BECAUSE:**

- 1) THE FCC'S BROADBAND DATA AND ANALYSIS WAS POLITICALLY  
DRIVEN AND OMITTED THOUSANDS OF DOCUMENTS.**
- 2) VERIZON, AT&T AND QWEST MISLED THE PUBLIC ABOUT THEIR  
FIBER OPTIC PLANS..**

**B) "FORM 477" CAN NOT CAPTURE CRITICAL DATA.**

**C) VERIZON AND AT&T'S HYPE MUST BE CONSIDERED FOR  
AMERICA'S FUTURE.**

**3) INCENTIVES AND INVESTMENT**

**CUSTOMERS FUNDED FIBER OPTIC NETWORKS AND ARE STILL  
PAYING FOR SERVICES THEY NEVER RECEIVED.  
VERIZON, AT&T, QWEST, ET AL ARE CROSS-SUBSIDIZING ALL THEIR  
OTHER BUSINESSES, HARMING ALL PHONE CUSTOMERS.**

by

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### **The FCC's National Broadband Strategy Failure.**

The FCC has created a series of new dockets to examine if broadband is being deployed on a timely and reasonable basis, the benchmark speed used in the definition of broadband, the data surrounding the status of broadband in the US, and whether the companies are creating 'barriers' – i.e., net neutrality.

America is 15<sup>th</sup> in the world in broadband. This fact is based on two reputable international organizations: ITU and OCED. Worse,

- By 2007, America should have had 95 million households already rewired with fiber optic services. (out of 110 million)
- Customers paid over \$230 billion dollars for networks that were never delivered.
- America was charged over \$82 billion dollars for extra cable fees because the phone companies never supplied cable competition.
- About \$5.5 trillion was lost in economic growth because these networks were never deployed.

Time for drastic measures? You bet. We've been outlining this issue for over a decade and we can now say – We told you so.

Commissioner Michael Copps wrote in this NOI:

“Never in my wildest imagination did I believe that 11<sup>th</sup> in the world would feel like the good old days. But it turns out that things *could*—and *did*—get worse.”

“Can we finally agree that something drastic needs to be done?”

“We can start by facing up to our problem and doing our level best to diagnose its causes. We need to know *why* so many Americans do not have broadband, and *why* those who do (or think they do) are paying twice as much for connections one-twentieth as fast those enjoyed by customers in some other countries”



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“If the Commission had prudently invested in better broadband data-gathering a decade ago, I believe we’d all be better off—not just the government, but more importantly, consumers and industry. We’d have a better handle on how to fix the problem because we’d have a better understanding of the problem.”

The reason America is 15<sup>th</sup> in the world in broadband is not complicated – It’s one of the largest scandals in American history.

- a) The phone companies lied to the public pertaining to the deployment of fiber optic commitments they made both on the state and federal level, in press releases, state orders, annual reports etc. In most states, Verizon, AT&T and Qwest received billions per state to rewire the entire state, and these networks were never delivered.
- b) The FCC’s rewrote the history of broadband for political reasons and has based its analysis on terribly flawed data collection methods. It omitted thousands of documents, state orders, press releases and annual reports to erase the actual story.
- c) The FCC dummed down the speed of broadband to make the numbers larger. The actual definition of broadband in 1992 was 45mbps, not 200K in one direction.
- d) Customers, not the phone companies, have been the major funder for network upgrades and in most states they never received what they paid for --very high speed, fiber optic services, available for reasonable rates in rural, urban and suburban households, rich or poor.
- e) The FCC rewrote the history of broadband competition so as to eliminate the entire class of independent Competitive Local Exchange Companies, (CLEC), Data-CLECs and Internet Service Providers, both in terms of contribution as well as through a massive re-regulatory campaign where the FCC to rewrote the Telecom Acts’ opening of broadband, Internet and telecommunications for competition.—using flawed data to reach its conclusions.
- f) Major audits and investigations need to be started immediately both on the state and federal level to correct the harms caused by bad data collection and a lack of enforcement. How much money did the phone companies collect to date for fiber based broadband services? What exactly were the obligations? Where did all of the money go? Did it ‘cross-subsidize’ other non-local businesses increasing local rates, Universal Service, and other charges? Who’s really funding the new “interstate” information services?



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This is NOT simply of historical interest. For example, Verizon New Jersey is supposed to complete 100% of the state of New Jersey with upgrades capable of 45mbps by 2010.

Does the FCC have the will to take this course of action --- Accurate data, enforcing the laws on the books, accountability?

We filed 3 Comments in this docket. Here is a summary:

1) SPEED OF BROADBAND.

The FCC's 200kbps Definition of Broadband Fails Statutory Requirements of Section 706 of the Telecom Act Of 1996 – High Quality Video in Both Directions.

SUMMARY: The FCC is in violation of the Telecom Act's Section 706, which defines advanced telecommunications as the capability of sending and receiving high-quality video services. The FCC's standard since 1998 has been 200Kbps, which can not handle high-quality video. The FCC dummied down the definition for political reasons and thus harmed America's broadband and economic future.

SOLUTION: Use the original definition as the bottom-line for the definition of broadband and match whatever the world's leading countries are doing.

2) TIMELY & REASONABLE QUESTIONED.

A) America Is 15<sup>th</sup> in the World in Broadband because:

1) The FCC's Broadband Data and Analysis Was Politically Driven and Omitted Thousands of Documents.

2) Verizon, AT&T And Qwest Misled the Public About their Fiber Optic Plans.

B) "Form 477" Can Not Capture Critical Data.

C) Verizon And AT&T's Hype Must Be Considered For America's Future.

SUMMARY: America is 15<sup>th</sup> in the world in broadband because the FCC claimed that advanced services were being deployed on a timely and reasonable basis since 1998. This is because the FCC was politically motivated and the agency neglected to include thousands upon thousands of documents, state Orders, annual reports and other sources, which showed that AT&T, Verizon and Qwest were not living up to commitments made to deploy 'advanced services'.



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Form 477, the form the FCC uses to capture “timely and reasonable” information is nothing more than trying to put large square pegs into very small circular holes.

By 2007, Teletruth estimates that most of America, about 95 million households should have already been upgraded with a fiber optic service that is capable of 45mbps services in both directions.

And history demonstrates that America should not trust AT&T, Verizon or Qwest with our Digital future as any plans they announce may never happen in a ‘timely and reasonable’ fashion.

### 3) INCENTIVES AND INVESTMENT

Customers Funded Fiber Optic Networks and Are Still Paying for Services They Never Received.

Verizon, AT&T, Qwest, Et Al Are Cross-Subsidizing All Their Other Businesses, Harming All Phone Customers.

Customers have funded and continue to be charged for fiber based services they never received. America paid over \$230 billion for these services – services that were never delivered. Worse, the FCC has allowed these companies to ‘cross-subsidize’ most of their other lines of business, including interstate information products, from DSL and Long Distance, and even fiber upgrades as well as Wireless.

Teletruth has laid out a series of audits and investigations that should immediately be implemented by the FCC working with state authorities --- How much money was collected in the name of broadband, Are customers owed refunds, did the phone companies spend the money on infrastructure as intended? What is the actual cost of local phone service when all of the cross-subsidization is removed?

About Teletruth and Our Work On This Topic:

Teletruth is a nationwide, independent customer alliance focusing on telecom, broadband and Internet issues. Board members New Networks Institute is a market research and analysis firm, LTC Consulting is a forensic telecom auditing firm. We have been active in front of the FCC filing comments, complaints, Data Quality Act and Regulatory Flexibility Act challenges since 1994.



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In short, we warned the FCC about the harms that would accrue because of the lack of accurate and omitted data and AT&T, Verizon and Qwest's failure to deploy

To be fair, this failure to collect accurate data did not start with the current FCC collection of chairman and commissioners, but is over a decade old. This is not simply a republican or democratic tilting, but a serious, intrinsic series of flaws that have cascaded into direct harms to the US economy.

Here's is a chronology of Teletruth and New Networks Institute FCC comments, complaints, Data Quality Act Challenge and Regulatory Flexibility Act comments pertaining to broadband.  
<http://www.newnetworks.com/Collected%20Broadband%20Information.htm>

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